

Union Calendar No. 240

113TH CONGRESS }
1st Session

HOUSE OF REPRESENTATIVES

{ REPORT
113-323

ANNUAL REPORT ON THE ACTIVITIES
OF THE
COMMITTEE ON ETHICS
FOR THE
ONE HUNDRED THIRTEENTH CONGRESS
(First Session)

R E P O R T
OF THE
COMMITTEE ON ETHICS



JANUARY 2, 2014.—Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

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JACKIE M. BARBER, *Counsel to the Chairman*
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LETTER OF SUBMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ETHICS,
Washington, DC, January 2, 2014.

Hon. KAREN L. HAAS,
Clerk, House of Representatives,
Washington, DC.

DEAR MS. HAAS: Pursuant to clause 1(d) of Rule XI of the Rules of the House of Representatives, we hereby submit to the House an Annual Report on the Activities of the Committee on Ethics for the First Session of the 113th Congress.

Sincerely,

K. MICHAEL CONAWAY,
Chairman.
LINDA T. SÁNCHEZ,
Ranking Member.

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ANNUAL REPORT ON THE ACTIVITIES OF THE COMMITTEE ON ETHICS FOR THE ONE HUNDRED THIRTEENTH CONGRESS (FIRST SESSION)

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Mr. CONAWAY and Ms. SÁNCHEZ, from the Committee on Ethics, submitted the following

R E P O R T

The Committee on Ethics is tasked with interpreting and enforcing the House ethics rules. The Committee has sole jurisdiction over the interpretation of the Code of Official Conduct, which governs the actions of Members and staff. The Committee is the only standing House committee with equal numbers of Democratic and Republican members. The Committee's operative staff is required by rule to be—and it is—professional and nonpartisan. Every Committee vote during the 1st Session of the 113th Congress was unanimous. In these and other ways, the Committee is unique and distinct from other committees and plays a different role in the House than any other House entity. This report provides a brief summary of the Committee's notable activities, followed by a table summarizing the activities.

Most of the Committee's work is conducted confidentially. Members and staff are prohibited, by Committee rule, from publicly discussing the Committee's work. Confidentiality promotes compliance with the rules and, in the investigative context, permits the Committee to independently investigate matters fully without interference or undue influence. Confidentiality is also a component of fairness to those whose conduct may be reviewed by the Committee.

However, at appropriate times and in the interest of transparency and accountability, the Committee may make certain activities and information public. Therefore, to the extent Committee rules, obligations, and integrity permit, the Committee submits this report on its activities.

I. THE COMMITTEE'S RESPONSIBILITIES

The Committee manages five critical responsibilities:

1. **Training.** The Committee provides mandatory annual ethics training to approximately 10,000 employees of the House. In addition, the Committee provides additional, mandatory training for senior staff. Trainings take the form of in-person briefings and computer-based interactive presentations. The Committee regularly updates its online training materials and has systems for monitoring and enforcing compliance with the House's training requirements.

2. **Advice and Education.** The Committee provides both formal and informal guidance to Members and employees of the House. Through published guidance, the Committee updates the House on the ethical standards regulating the conduct of Members and staff. It also provides confidential written guidance to Members and staff on specific questions. In addition, the Committee staff gives informal, confidential advice to Members, staff, and the public every day.

3. **Travel.** The Committee is responsible for reviewing and approving all privately-sponsored travel related to official duties offered to Members and staff. At the end of the 112th Congress, the Committee adopted revised travel regulations, which were made effective for travel beginning on April 1, 2013.

4. **Financial Disclosure.** The Committee reviews and certifies all annual financial disclosure statements that Members, candidates, and senior staff are required to file, as well as all periodic transaction reports that Members and senior staff file. These are time-intensive reviews, which require the dedication of substantial staff resources to complete. In addition, the Committee's financial disclosure experts speak and meet regularly with individual Members and staff to pre-screen their reports to prevent and avoid the necessity of filing amendments, or to provide assistance in completing the reports.

5. **Investigations.** The Committee investigates and adjudicates allegations of impropriety and violations of House ethics rules by Members and staff. The Committee actively investigates allegations against Members and staff, using a mix of informal and formal investigative techniques to determine the validity of factual allegations, explore potential rules violations and recommend appropriate sanctions and corrective actions. Where appropriate, the Committee refers matters to federal and state law enforcement authorities.

In addition, the Committee performs other critical functions to ensure compliance with House ethics rules. Several of these functions are noted in the table below, which summarizes the Committee's activities for 2013.

II. SIGNIFICANT ACCOMPLISHMENTS

A. ORGANIZATION IN THE 113TH CONGRESS

On January 3, 2013, Representative K. Michael Conaway was appointed the new Chairman of the Committee, Representative Linda T. Sánchez was reappointed Ranking Member of the Committee, and three new Republican Members joined the Committee.

On January 23, 2013, the Committee gained three new Democratic Members. The first Committee meeting of the 113th Congress was held on February 5, 2013. At this meeting, the Committee adopted its rules and oversight plan and voted to re-hire its non-partisan, professional staff for the new Congress.

B. ADVICE TO NEW AND EXISTING MEMBERS AND STAFF

From the beginning of the 113th Congress to December 31, 2013, 76 new Members joined the House, as did 3,208 new employees. The Committee has worked diligently to advise and educate these new House Members and employees on the ethics rules that now apply to them. Since the beginning of 2013, Committee staff has offered nonpartisan informal guidance to Members, officers, and employees in over 14,000 phone calls and over 4,500 emails. The Committee encourages all Members and staff to call with any ethics questions they may have. In addition, the Committee offers frequent opportunities for Members and staff to participate in live and online training. In 2013, the Committee offered 48 live training seminars and over 700 in-person private meetings, many of which involved assisting financial disclosure filers.

In addition, the Committee is continually striving to expand the scope of its efforts to educate and assist Members, officers, and employees of the House. To that end, the Committee issued twelve Pink Sheets or General Advisories to the entire House Community, including Ethics Guidance Related to Sequestration, Reminder about the Limitation on Participating in Initial Public Offerings, and Holiday Guidance on the Gift Rule. All twelve of these Pink Sheets, along with other guidance issued by the Committee, are available to the House community on the Committee's Web site, www.ethics.house.gov.

C. INVESTIGATIVE MATTERS

The Committee actively investigates allegations against House Members, officers, and employees, using a mix of informal and formal investigative techniques to determine the validity of factual allegations, explore potential rules violations, and recommend appropriate sanctions and corrective actions. The Committee's options for investigating a matter include fact-gathering under Committee Rule 18(a), which may or may not be publicly disclosed, the empanelment of investigative subcommittees, and the review of transmittals from the Office of Congressional Ethics (OCE). The fact that a House Member, officer, or employee is referenced in an investigative matter should not be construed as a finding or suggestion that the Member, officer, or employee has committed any violation of the rules, law, or other standard of conduct.

In 2013, the Committee commenced 23 new investigative matters. In addition, the Committee carried over 35 matters from the 112th Congress and empaneled 3 new investigative subcommittees, in the matters of Representative Robert Andrews, Representative Don Young, and Representative Trey Radel. In 2013, the Committee received eleven referrals from the OCE, recommending further review or dismissal. By the end of 2013, the Committee completed 27 investigations. Resolutions in five of those matters were publicly disclosed, and numerous public statements were issued regarding the Committee's investigative work. The Committee has

publicly released four Committee reports, totaling over 1,000 pages, which collectively resolved matters involving 11 Members of the House and 3 employees.

D. REVIEW OF COMMITTEE GUIDANCE ON CONFLICTS OF INTEREST

In 2013, the Committee formed a bipartisan working group led by Representative Susan W. Brooks and Representative Ted Deutch to study matters related to the disclosure of and handling of personal financial interests in the House of Representatives. The working group met formally nine times primarily focusing on the Committee's financial disclosure guidance regarding modern complex investment vehicles. The working group sought input from the House community, as well as ethics experts from the government and private sector, during its review. In 2014, the working group will continue its work, which will focus on a review of the Committee's guidance on the various requirements of conflicts of interest rules for Members, officers, and employees of the House of Representatives

E. GREATER TRANSPARENCY

In 2013 the Committee released nineteen public statements regarding various matters. Where appropriate, the Committee issued investigative reports for matters, ranging from 1 page to more than 400 pages (including attachments). Several of these statements announced the resolution of significant investigative matters.

F. FINANCIAL DISCLOSURE

For calendar year 2013, the Legislative Resource Center of the Clerk's office referred a total of 2,651 Financial Disclosure Statements to the Committee for review under the Title I of the Ethics in Government Act of 1978 (EIGA), as amended (5 U.S.C. app. 4 §§ 101–111). Of those, 1,988 were Statements filed by current or new House Members or employees, 392 were filed by departing House Members or employees, and 246 were Statements filed by candidates for the House. Where the Committee's review indicated that a filed Statement had a deficiency, such as a failure to include required information, the Committee requested an amendment from the filer. Such amendments are routine and, without evidence of a knowing or willful violation, the Committee will usually take no further action. Where the Committee found that a Member or staff person had violated a provision of the EIGA, the Committee determined the appropriate remedy for the violation.

For calendar year 2013, the Legislative Resource Center of the Clerk's office referred a total of 1,637 PTRs to the Committee for review under the statute. Of those, 705 were PTRs filed by Members and 932 were PTRs filed by House employees. Like FD Statements, where the Committee's review indicated that a filed PTR had a deficiency, such as a failure to include required information, the Committee requested an amendment from the filer. The Committee also followed up with filers whose PTRs indicated non-compliance with applicable law, such as impermissible participation in an Initial Public Offering or late filing of the PTR. Where the Committee found that a Member or staff person had violated

a provision of the STOCK Act, the Committee determined the appropriate remedy for the violation.

G. IMPLEMENTATION OF NEW PRIVATELY-SPONSORED TRAVEL
REGULATIONS

House Rule XXV, clause 5(d)(2), which was enacted at the start of the 110th Congress, charged each House Member or employee with obtaining approval of the Committee prior to undertaking any travel paid for by a private source on matters connected to the individual's House duties.

House Rule XXV, clause 5(i), charges the Committee with undertaking an annual review of its guidelines and regulations regarding privately-funded, officially-connected travel. In the 112th Congress, the Committee carried over a bipartisan travel working group to assess and make recommendations regarding its process for the review and approval of such travel. Committee Members Representatives Charles Dent and Donna F. Edwards comprised the working group. As a result of the efforts of the working group, the Committee adopted comprehensive revised travel regulations for privately-sponsored, officially connected travel which were released as a general advisory on December 27, 2012. The regulations were made effective for travel beginning on April 1, 2013.

Under the travel approval process established by the Committee, the Committee reviewed more than 2,400 requests, and issued letters approving nearly 2,200 requests for travel in 2013. The Committee also reviewed the post-travel disclosure forms filed by the traveler on each approved trip pursuant to House Rule XXV, clause 5(b)(1)(A)(ii), requesting amendments or other remedial action by the traveler when deemed necessary.

The Committee also produces the following table summarizing its activities in the 113th Congress through December 31, 2013.

COMMITTEE REPORT FROM JANUARY 1–DECEMBER 31, 2013

Formal Advice and Approval:	
Advisory Opinion Requests Received	465
Advisory Opinions Mailed	416
Percentage of Opinions Mailed within 2 weeks	69%
Percentage of Opinions Mailed within 4 weeks	80%
Travel Requests Received	2,452
Travel Opinions Mailed	2,193
Percentage of Travel Opinions Mailed within 2 weeks	43%
Percentage of Travel Opinions Mailed within 4 weeks	82%
Informal Advice (including Financial Disclosure):	
Phone Calls (approximate)	14,492
Emails (approximate)	4,581
Training:	
Total # of House Employees (as of 12/31/2013)	9,313
Employees having completed training (approximate)	9,132
Training briefings (scheduled training sessions)	48
Personal Advisory Meetings with Members and Staff (approximate)	710
Investigations:	
Investigative Matters carried over from the 112th Congress	35
Investigative Matters commenced in 2013	23
Investigative Subcommittees carried over from the 112th Congress	0
Investigative Subcommittees commenced in 2013	3
Publicly Disclosed Resolutions	5
Confidential Resolutions	22

COMMITTEE REPORT FROM JANUARY 1–DECEMBER 31, 2013—Continued

Referrals received from the Office of Congressional Ethics	11
Financial Disclosures:	
FD Reports filed by Members and Staff	1,988
FD Reports filed by Candidates	246
FD Reports and amendments reviewed by Committee staff	2,982
Committee Publications:	
Pink Sheets/General Advisories	12
Public Statements	19
Investigative Reports	4
Miscellaneous Oversight:	
Recusals	46
Negotiations	93
Qualified Blind Trusts	2
Legal Expense Funds	8
Foreign Gifts and Travel Reports	4
Meetings:	
Full Committee Meetings	13
Subcommittee Meetings	16
Working Group Meetings	9
Personnel:	
Lowest Total Staff Level in 2013	23
Highest Total Staff Level in 2013	26